

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Policy and Analysis Branch**

**RESOLUTION T- 17506
January 28, 2016**

R E S O L U T I O N

RESOLUTION T-17506: Approval of funding for the public housing infrastructure grant applications of Better Opportunity Builder (Brierwood project) , Silvercrest, Inc. (Pacific Gardens and Yosemite Village projects), Housing Authority City of Los Angeles (San Fernando Gardens project), and Self-Help Enterprises (Rancho Lindo, Rolling Hills and Solinas Village projects) from the California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) Infrastructure Grant Program in the amount of \$421,257.50.

I. SUMMARY

This Resolution approves grant funding in the amount of \$421,257.50 from the California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) in response to the public housing infrastructure grant applications from Better Opportunity Builder (BOB) for its Brierwood project; Silvercrest, Inc. (Silvercrest) for its Yosemite Village and Pacific Gardens projects; Housing Authority City of Los Angeles (HACLA) for its San Fernando Gardens project; and Self Help Enterprises (SHE) for its Rancho Lindo, Rolling Hills and Solinas Village projects. These seven projects will deploy broadband infrastructure capable of 6 mbps download and 1.5 mbps upload for 771 living units in these seven Publicly Supported Communities (PSCs).

II. BACKGROUND

The goal of CASF is to encourage the deployment of high-quality advanced information and communications technologies to all Californians. CASF consists of four accounts: (1) Broadband Infrastructure Grant Account; (2) Revolving Loan Account; (3) Regional and Rural Consortia Account; and the most recently added (4) Broadband Public Housing Account (BPHA).

On October 3, 2013, Governor Brown approved Assembly Bill (AB) 1299. AB 1299 created the BPHA under CASF to support the deployment of broadband infrastructure and adoption programs in eligible publicly supported communities. Public Utilities Code § 281 (f)(2) limits CASF Broadband Public Housing Account Funding to subsidized multi-family housing developments owned by either of the two following:

- 1) A public housing agency that has been chartered by the state, or by any city or county in the state, and has been determined an eligible public housing agency by the United States Department of Housing and Urban Development.
- 2) An incorporated nonprofit organization as described in Section 501 (c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501 (a) of that code (16 U.S.C. Sec. 501(a)), and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as “low”-or “very low” income according to federal poverty guidelines¹.

The BPHA efforts will be funded through \$20 million from the CASF Infrastructure Grant Account and \$5 million from the Revolving Loan Account, respectively. Any monies in the BPHA that have not been awarded by December 31, 2016 shall be transferred back to the Infrastructure Grant Account and Revolving Loan Account in proportion to the amounts transferred from the respective accounts.

On December 18, 2014, the Commission approved Decision (D.)14-12-039 to implement rules and guidelines for the BPHA including: eligibility and application requirements, types of activities and costs to be funded by CASF, criteria for expedited review approval of project applications by Communications Division (CD) staff, and quarterly deadlines for applications beginning January 15, 2015 through October 1, 2016. Key provisions of the decision relevant to this resolution include:

- The Commission delegated to CD staff the authority to approve applications through expedited review that meet all of the expedited review criteria.² Where an application does not meet the above expedited review criteria, it may still be considered for a grant but it must go through the traditional Commission Resolution approval process.

¹ Public Utilities Code § 281 (f)(2)

²D.14-12-039, Appendix B, p. B13

- The Commission can award grants to finance up to 100 percent of the installation costs, but not maintenance or operation costs.
- The Commission requires grantees to maintain and operate the network for five years after receiving Commission funding.
- The proposed network should be capable of offering residents Internet service speeds of at least 6 megabits per second (mbps) downstream and 1.5 mbps upstream with a minimum download speed of 1.5 mbps during average peak utilization periods.

On January 15, 2015, Better Opportunity Builders (the Brierwood project) and Silvercrest, Inc. (Pacific Gardens and Yosemite Village projects) submitted applications for CASF funding. On April 1, 2015, Self Help Enterprises submitted three project grant applications (Rancho Lindo, Rolling Hills and Solinas Village projects) and Housing Authority of the City of Los Angeles submitted one project grant application (San Fernando Gardens) for CASF funding. All proposed broadband infrastructure will be capable of 6 mbps download and 1.5 mbps upload.

III. NOTICES / PROTESTS

On February 2, 2015 CD posted a list of proposed projects on the Commission's CASF Public Housing account webpage³, and sent notices regarding the proposed projects submitted on January 15th to its electronic service list. On April 9th, 2015, CD posted a list of proposed projects and sent notices regarding the proposed projects submitted on April 1st to its electronic service list. CD also posted project locations to a public online map (as stated in the notices). Internet Service Providers (ISPs) are able to challenge proposed projects based on "Access Denials"⁴. CD Staff received no challenges for the proposed projects.

IV. DISCUSSION

This Resolution adopts CD's recommended award totaling \$421,257.50 for the seven projects (771 public housing living units) listed below. This award represents up to 100 percent of inside wiring and equipment costs. Key project information and maps are shown in Appendix A.

³ <http://www.cpuc.ca.gov/General.aspx?id=908>

⁴ An ISP may challenge a proposed project if it has been denied access rights for installing lines that would enable broadband internet services.

Applicant	Project	Living Units	Grant Request	Cost / Living Unit	
BOB	Brierwood, Fresno	50	\$47,730.00	\$955	\$600
Silvercrest	Yosemite Village, Fresno	69	\$44,850.00	\$650	\$450
Silvercrest	Pacific Gardens, Fresno	56	\$28,800.00	\$514	\$450
Self Help Enterprises	Rancho Lindo, Lamont	44	\$35,200.00	\$800	\$600
Self Help Enterprises	Rolling Hills, Newman	52	\$28,600.00	\$550	\$450
Self Help Enterprises	Solinas Village, McFarland	52	\$35,100.00	\$675	\$450
Housing Authority of the City of Los Angeles	San Fernando Gardens, Los Angeles	448	\$200,977.50	\$449	\$300
<u>Total</u>		<u>771</u>	<u>\$421,257.50</u>		

Three of the projects (Brierwood, Yosemite Village and Pacific Gardens) are located inside the city limits of Fresno. The San Fernando Gardens location is in the city limits of Los Angeles, on the northern end of the San Fernando Valley. The remaining three projects are in rural areas (the Rancho Lindo, Lamont location is southeast of Bakersfield; the Solinas Village, McFarland location is along State Highway 99, 25 miles north of Bakersfield, and 85 miles south of Fresno; the Rolling Hills, Newman location is 35 miles due west of Merced).

A. Proposed Projects Overview:

All seven proposed projects are based on a Mesh WiFi 802.11n⁵ wireless network architecture consisting of ISP Modem, Network Switching and Routing equipment and Wireless Access Points. All project properties consist of living units in separate buildings that are spread out in an open campus setting. The open campus setting drives the design of the wireless networks and the network equipment required in order to ensure adequate WiFi signal strength for all living units. The projects propose networks capable of 6 mbps downstream and 1.5 mbps upstream for the residents in these PSCs.

B. Applicant Eligibility:

The applicants meet the eligibility requirements for BPHA. HACLA is a public housing agency chartered since 1938 by the City of Los Angeles and has been determined an eligible public housing agency by the United States Department of Housing and Urban

⁵The 802.11 family consists of a series of over-the-air modulation techniques that use the same basic protocol. 802.11n is an amendment that improves upon the previous 802.11 standards. 802.11n operates on both the 2.4 GHz and the lesser-used 5 GHz bands at a maximum net data rate from 54 mbps to 600 mbps.

Development (HUD). BOB, Silvercrest and SHE have been approved by the IRS as 501(c)(3) nonprofit organizations for providing affordable housing since 1991, 1999 and 1965 respectively. The applicants are all in sound financial condition and have the resources to build the projects and also maintain the proposed networks for the 5-year project period.

The proposed projects do not qualify for expedited review because the cost per housing unit exceeded the stated expedited review requirements.⁶ Here, the seven projects have open campus layouts, which require more network equipment in order to reach all buildings and living units with adequate signal strength. This requirement increases the cost per unit served. Additionally, the total subsidy requested for the HACLA San Fernando Gardens project (\$200,977.50) is significantly above the \$75,000 threshold for expedited review. This is reasonable given that the property has 448 units, which translates to a cost per unit that is less than those for the other six projects included in this resolution, albeit higher than the cost per unit threshold required for expedited review.

C. Safety Considerations:

The deployment of affordable broadband in public housing will improve access to government and e-health services.

V. COMPLIANCE REQUIREMENTS

The CASF BPHA proposed projects are required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D. 14-12-039. Such compliance includes, but is not limited to the following:

A. California Environmental Quality Act (CEQA)

All CASF grants are subject to CEQA requirements unless the projects are statutorily or categorically exempt pursuant to the CEQA Guidelines.

All seven proposed projects are based on a mesh WiFi 802.11n wireless network architecture consisting of ISP Modem, network switching and routing equipment and wireless access points. This low-cost, low-power solution requires installation/mounting of equipment in existing structures such as rooftops.

⁶ D.14-12-039, Appendix B, p. B13

Based on the above information the project qualifies for the following categorical exemptions from CEQA: This project meets the criteria of the CEQA categorical exemption for existing facilities (CEQA Guidelines § 15301) and CEQA Guidelines Section 15303 – New Construction or Conversion of Small Structures, involving construction, installation, and/or conversion of limited numbers of new and/or existing facilities/structures.

B. Execution and Performance

The CASF grant recipient must complete all performance under the award on or before 12 months from the date this resolution is approved. If the applicant is unable to complete the proposed projects within the 12 month time frame requirement, they must notify the Director of CD as soon as they become aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement by timely notifying CD's director.

In the event that the recipient fails to complete the performance in accordance with the terms of the CPUC approval, the recipient shall reimburse some or all of the CASF funds it has received.

C. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.⁷

The recipient's invoices will be subject to a financial audit by the Commission at any time within three years of completion of the project.

D. Reporting

All grantees must submit quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment. Before full payment of the project, the recipient must submit a project completion report. Grantees must also identify foreseeable risks that might prevent it from meeting future milestones. The grantee shall also include speed test results in its completion report. Recipients must certify that each progress report is true and correct under penalty of perjury.

⁷ Pub. Util. Code § 270

An infrastructure project grantee is required to maintain the broadband network for five years after it has been installed. After installation, for a five year period, grantees must also submit quarterly reports showing the percentage of up time, the number of unique log-ons (either by individuals or by units) and the amount of data used⁸.

E. Payments

Submission of invoices from and payments to the CASF grant recipient shall be made at completion intervals in accordance with Section X of Appendix B of D.14-12-039 and according to the guidelines and supporting documentation required in D.14-12-039. As referred to in Section X, payment to the CASF grantee will be on a progress billing basis with the first 25 percent to be made upon the proponent's submission to the Commission staff of a progress report showing that 25 percent of the total project has been completed. Subsequent payments shall be made on 25 percent increments showing completion at 50 percent, 75 percent, and 100 percent. The CASF recipient must submit a project completion report before full payment.

Payment to the CASF grantee shall follow the process adopted for funds created under P.U. Code 270. The Commission generally processes payments within 20-25 business days, including CD and Administrative Services review. The State Controller's Office (SCE) requires an additional 14-21 days to issue payment from the day that requests are received by SCO from Administrative Services.

VI. COMMENTS

In compliance with Public Utilities Code section 311(g)(1), a Notice of Availability was e-mailed on December 22, 2015 to the CASF Distribution List of the availability of the draft of this resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/> and is available for public comments. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website. CD did not receive any comments or reply comments on this resolution.

VII. FINDINGS

1. The CASF Broadband Public Housing Account (BPHA) was created through AB1299 (October 3, 2013). AB1299 set aside \$20 million from the CASF Infrastructure Grant Account for public housing infrastructure projects and \$5 million from the Revolving Loan Account for Digital Literacy projects.

⁸ D.14-12-039, Appendix B, p. B15

2. On December 18, 2014, the Commission approved D.14-12-039. This decision established the rules for implementing BPHA. This decision delegates to CD the authority to approve applications through an expedited review process as long as they are qualified (given stated requirements). Projects not qualified for expedited review may still be considered for a grant through the Commission Resolution approval process.
3. On January 15, 2015, Better Opportunity Builders (Brierwood project) and Silvercrest, Inc. (Pacific Gardens and Yosemite Village projects) submitted applications for CASF funding. On April 1, 2015, Self Help Enterprises submitted three project grant applications (Rancho Lindo, Rolling Hills and Solinas Village projects) and Housing Authority of the City of Los Angeles (HACLA) submitted one project grant application (San Fernando Gardens) for CASF funding. All seven proposed projects are based on a Mesh WiFi 802.11n wireless network architecture consisting of ISP Modem, Network Switching and Routing equipment and Wireless Access Points.
4. All seven projects have high cost per unit and therefore ineligible for expedited review. HACLA is also requesting CASF grant funding for the San Fernando Gardens project above the \$75,000 benchmark and thus could not be approved through expedited review.
5. CD determined that the costs per unit were reasonable given the physical layouts of the project locations. CD also considers the high cost of the San Fernando Gardens project reasonable, given the total number of living units in that public housing location.
6. CD notified all Interested Parties for the Public Housing CASF Account of these proposed projects on February 2nd and April 9th (for the January and April project submission dates respectively). Project locations were also posed to an online map. CD received no challenges to these projects.
7. Based on its review, CD determined that all applicants met eligibility requirements. CD further determined that the proposed projects qualify for funding under D.14-12-039 and recommends Commission approval of CASF funding for the seven proposed projects.

8. The Commission has determined that these projects are categorically exempt from CEQA review, under section 15301 regarding exemption for existing facilities and section 15303 regarding minor modifications to existing structures.
9. The applicants are required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D. 14-12-039.
10. A notice letter was e-mailed on December 22, 2015, informing all applicants filing for CASF funding, parties on the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website. CD did not receive any comments or reply comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award \$47,730.00 to Better Opportunity Builders for the Brierwood Project; \$73,650.00 to Silvercrest, Inc. for the Yosemite Village (\$44,850.00) and Pacific Gardens (\$28,800.00) projects; \$98,900.00 to Self Help Enterprises for the Rancho Lindo (\$35,200.00), Rolling Hills (\$35,200.00) and Solinas Village (\$35,100.00) projects; and \$200,977.50 to the Housing Authority of the City of Los Angeles for the San Fernando Gardens project; a grant total award of \$421,257.50. All awards are based on the descriptions of the projects as described herein and summarized in Appendix A of this Resolution.
2. The grant payment of \$421,257.50 for these public housing projects shall be paid out of the CASF Public Housing Account in accordance with the guidelines adopted in D.14-12-039, including compliance with CEQA.
3. Payments to the CASF recipient shall be in accordance with Section X of Appendix B of D.14-12-039 and in accordance with the process defined in the "Payments" section of this Resolution.
4. The CASF fund recipients shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in D.14-12-039.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 28, 2016. The following Commissioners approved it:

TIMOTHY J. SULLIVAN
Executive Director

APPENDIX

APPENDIX A
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BOB, Silvercrest, SHE and HACLA Public Housing Infrastructure Projects
CASF Applicant Key Information

<i>Project Plan</i>	Mesh WiFi 802.11n wireless network architecture consisting of ISP Modem, network switching and routing equipment and wireless access points.
<i>Location</i>	4402 W. Avalon Ave, Fresno, CA 93722
<i>Grant Recipient</i>	Better Opportunity Builders (BOB)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	50
<i>Price per Unit</i>	\$600
<i>Total Grant Amount</i>	\$47,730.00
<i>Location</i>	5161 E. Kings Canyon Rd, Fresno, CA 93727
<i>Grant Recipient</i>	Silvercrest, Inc. (Silvercrest)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	56
<i>Price per Unit</i>	\$514
<i>Total Grant Amount</i>	\$28,800.00
<i>Location</i>	709 W. California, Fresno, CA 93706
<i>Grant Recipient</i>	Silvercrest, Inc. (Silvercrest)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	69
<i>Price per Unit</i>	\$650
<i>Total Grant Amount</i>	\$44,850.00

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<i>Location</i>	9023 Camino la Jolla Ave, Lamont, CA 93241
<i>Grant Recipient</i>	Self Help Enterprises (SHE)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	44
<i>Price per Unit</i>	\$800
<i>Total Grant Amount</i>	\$35,200.00
<i>Location</i>	2110 South Prince St, Newman, CA 95360
<i>Grant Recipient</i>	Self Help Enterprises (SHE)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	50
<i>Price per Unit</i>	\$550
<i>Total Grant Amount</i>	\$28,600.00
<i>Location</i>	711 Fifth St, McFarland, CA 93250
<i>Grant Recipient</i>	Self Help Enterprises (SHE)
<i>Type of Organization</i>	501(c)(3) nonprofit organization
<i>Number of Units</i>	52
<i>Price per Unit</i>	\$675
<i>Total Grant Amount</i>	\$35,100.00
<i>Location</i>	10995 Lehigh Ave, Los Angeles, CA 91331
<i>Grant Recipient</i>	Housing Authority of the City of Los Angeles (HACLA)
<i>Type of Organization</i>	Public Housing Agency
<i>Number of Units</i>	448
<i>Price per Unit</i>	\$449
<i>Total Grant Amount</i>	\$200,977.50

APPENDIX B
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Public Housing Projects Locations

